

STATE OF MICHIGAN

INSTRUCTIONS FOR PREPARATION OF APPLICATION FOR STATE TREASURER'S APPROVAL TO WAIVE BOND MATURITY REQUIREMENTS (FORM 3970)

School Bond Loan Program
Office of Cash & Debt Management
Michigan Department of Treasury
P.O. Box 15128
Lansing, Michigan 48901

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Fax: 517-241-1233
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Web page: <http://www.michigan.gov/treasury>
~click on "Public Institutions"
~click on "School Districts"
~click on "School Bond Loan Program"

or

http://www.michigan.gov/treasury/1,1607,7-121-1751_2217_3830---,00.html

April 2003

Application for State Treasurer's Approval to Waive Bond Maturity Requirements

INSTRUCTIONS FOR PREPARATION

The following options are available for completion of this form:

1. Application for State Treasurer's Approval to Waive Bond Maturity Requirements Form 3970 (2-2003) available on the School Bond Loan Program web site in acrobat format.
2. Substitute form generated from the preparer's computer software and printer.

* Substitute forms are allowable provided that the substitute form follows the **exact text and format**, word for word, line for line, of the official form.

* The substitute form must contain the following amended form reference in the upper left corner:

Substitute Form 3970 (2-2003)
Transcribed by {firm name}

All substitute forms must meet these requirements. **The Department reserves the right to require the refile of any forms that do not meet these requirements.**

Form 3970 (paper version) may be obtained by contacting:

School Bond Loan Program
Office of Cash & Debt Management
Michigan Department of Treasury

Telephone: (517) 335-1001
Fax: (517) 241-1233
E-mail: simonk1@michigan.gov

Mailing Address

P.O. Box 15128
Lansing, Michigan 48901

Overnight Delivery Address

430 Allegan Street
Lansing, Michigan 48922

Instructions for Completion

The School Bond Loan Act allows the State Treasurer to waive any of the following principal requirements if s/he determines it is financially beneficial to the state or to the school district:

- Principal maturing in one year is less than any other year.
- Proposed bond term length is less than the legal standard for the district's debt to valuation ratio.
- 10 year/25% maturity limitation (for applications with debt/valuation > 12%).

Refer to MCL 388.954 Section 4(1) for more information.

To be considered for a waiver, an *Application for State Treasurer's Approval to Waive Bond Maturity Requirements* (Department of Treasury Form 3970) must be filed. The application must document the specific reasons for this particular request, as well as the advantages to the school district. The authorized representative of the school district must sign the waiver.

Reason for Request

The application for waiver should document the reason for the request. School Districts that exceed one or more of the principal requirements should state how they are out of compliance and the reason the request is being made.

Advantages to School District

The application for waiver should document the advantages to the School District. School Districts that exceed one or more of the principal requirements should state how requesting the waiver is financially beneficial to the district, including the savings on a Present Value basis.

An *Application for State Treasurer's Approval to Waive Bond Maturity Requirements* must be accompanied with:

- A board resolution authorizing the superintendent (or other designate) to apply for a waiver.
- Supporting financial tables that document the difference in costs between the proposed maturity structure and a standard maturity structure, on a present value basis.